

10 November 2020

MEMORANDUM

From: Manager  
To: Board of Trustees

Subj: MINUTES FOR THE TRUSTEE MEETING 27 OCTOBER 2020

The Board of Trustees convened at 1900 hrs. In attendance: Trustee Gamage, Southport (Chairman); Trustee Climo, Southport (Vice-Chairman); Trustee Tharpe, At-Large (Treasurer); Trustee Anthony, Boothbay (Clerk); Trustee Tibbetts, Boothbay Harbor; Trustee Bellows, Boothbay; Jonathan Ziegler, Manager. Guest: Marcia Wilson, Administrative Manager (AM); Rachel Werthhiemer, J.D. *Verrill Law*. Absent: Trustee Blakeslee, Boothbay Harbor.

1. The board approved the minutes for 13 October 2020.  
*Trustee Climo motioned, Trustee Tibbetts second, vote: unanimous*
2. Approve Transactions for 12 October 2020 through 23 October 2020  
*Trustee Climo motioned, Trustee Tibbetts second, vote: unanimous*
3. **ADMINISTRATION** – The manager provided the board with Table 1 – *Boothbay Region Water District Cash Account Status Report as of 27 October 2020*; Table 2- *BRWD Profit & Loss Budget Performance through 30 September 2020* & Table 3 - *BRWD Capital Improvement & Equity Report as of 30 September 2020*. Before turning the financial presentation over to the AM, the manager informed the board that at that time the district was in its lowest cash position annually, however, the district was in the best financial shape at that point of the fiscal year as compared to the previous 5-years. The Administrative Manager (AM) described the present state of the district’s financials.

| Table 1<br><b>BOOTHBAY REGION WATER DISTRICT</b><br><b>Cash Account Status Report as of 27 October 2020</b> |                      |
|---|----------------------|
| <b>Account</b>  | <b>Balance</b>       |
| Business Checking   | \$ 25,506.43         |
| Deposit Sweep Account   | \$ 125,991.87        |
| <b>Liquidity Total</b>  | <b>\$ 151,498.30</b> |
| <b>DESIGNATED FUNDS</b>   |                      |
| BBH 2007 Sinking Fund   | \$ 20,336.49         |
| Land Acquisition Fund   | \$ 14.71             |
| Capital Reinvestment Fund   | \$ 125.62            |
| Mt Dora Easement Escrow   | \$ 5,073.05          |
| Southport Sinking Fund  | \$ 37,319.42         |
| EBB Upgrade 91-20   | \$ 56,054.74         |
| Bank of Maine Unemployment CD   | \$ 17,295.00         |
| <b>Designated Fund Total</b>  | <b>\$ 136,219.03</b> |
| <b>TOTAL CASH RESERVES</b>  | <b>\$ 287,717.33</b> |

**Table 2**  
**BRWD Profit & Loss Budget Performance through 30 September 2020**

|   | <b>Jan - Sep 20</b> | <b>YTD Budget</b>   | <b>Annual Budget</b> |
|---|---------------------|---------------------|----------------------|
| <b>Ordinary Income/Expense</b>                        |                     |                     |                      |
| <b>Income</b>   |                     |                     |                      |
| 414-Gain on Sale-Misc. Inc.                           | 0.00                | 10,000.00           | 10,000.00            |
| 415 - Jobbing   | 127,431.39          | 66,414.71           | 95,000.00            |
| 419 - Interest Income                                 | 386.86              | 410.96              | 500.00               |
| 460-RD Grant Revenue (KHS-RD Grant & Loan)            | 0.00                | 0.00                | 0.00                 |
| 461 - Revenue Accounts                                | 2,456,958.87        | 2,259,709.95        | 3,273,317.20         |
| <b>Total Income</b>                                   | <b>2,584,777.12</b> | <b>2,336,535.62</b> | <b>3,378,817.20</b>  |
| <b>Gross Profit</b>                                   | <b>2,584,777.12</b> | <b>2,336,535.62</b> | <b>3,378,817.20</b>  |
| <b>Expense</b>  |                     |                     |                      |
| 403-Depreciation Expense                              | 508,500.00          | 508,500.00          | 678,000.00           |
| 408 -- Taxes other than Income                        | 41,631.05           | 45,504.84           | 60,000.00            |
| 427-Bond and Loan Interest (Long Term Liab. Interest) | 2,322.22            | 2,549.97            | 3,400.00             |
| 427-Interest Expense                                  | 176,001.16          | 166,080.00          | 224,240.00           |
| 601 - Wages   | 449,697.96          | 474,925.80          | 627,950.00           |
| 603 - Trustee Fees                                    | 9,425.53            | 9,700.00            | 9,700.00             |
| 604 - Employee Pen. & Benefits                        | 329,275.28          | 332,187.86          | 440,000.00           |
| 615 - Electricity                                     | 45,969.34           | 51,089.87           | 66,500.00            |
| 618 - Chemicals                                       | 41,824.52           | 42,864.60           | 49,025.00            |
| 620 - Materials & Supplies                            | 193,077.24          | 199,286.96          | 229,000.00           |
| 620.7 - Postage                                       | 725.17              | 0.00                | 0.00                 |
| 631 - Contr.-Engineering                              | 17,686.00           | 11,667.00           | 15,000.00            |
| 632 - Contr. Accounting                               | 45,302.50           | 51,000.00           | 63,000.00            |
| 633 - Contr. Legal                                    | 47,251.00           | 37,500.03           | 50,000.00            |
| 634 - Other Professional Fees                         | 250.00              | 11,250.00           | 15,000.00            |
| 635 - Contr.-Other                                    | 214,525.11          | 183,556.45          | 239,100.00           |
| 642 - Rental of Equipment                             | 1.71                | 0.00                | 500.00               |
| 650 - Transportation                                  | 17,099.59           | 22,817.35           | 37,250.00            |
| 656 - Insurance-Vehicles                              | 0.00                | 0.00                | 0.00                 |
| 657 - Insurance - Gen. Liab.                          | 32,786.50           | 35,000.00           | 35,000.00            |
| 658 - Insurance-Workers Comp.                         | 12,687.00           | 13,000.00           | 15,000.00            |
| 660 - Advertising                                     | 825.40              | 1,874.97            | 2,500.00             |
| 667 - Regulatory Expense                              | 20,816.52           | 17,329.00           | 20,000.00            |
| 675 - Misc. Expenses                                  | 39,731.33           | 9,581.82            | 13,100.00            |
| 680.00 - Uncategorized                                | 0.00                | 0.00                | 0.00                 |
| <b>Total Expense</b>                                  | <b>2,247,412.13</b> | <b>2,227,266.52</b> | <b>2,893,265.00</b>  |
| <b>Net Ordinary Income</b>                            | <b>337,364.99</b>   | <b>109,269.10</b>   | <b>485,552.20</b>    |
| <b>Net Income</b>                                     | <b>337,364.99</b>   | <b>109,269.10</b>   | <b>485,552.20</b>    |

Table 3

## BRWD Capital Improvement &amp; Equity Report as of 30 September 2020

| Accnt #                    | Description   | 30-Sep                 | Budget               |
|----------------------------|---|------------------------|----------------------|
| Capital Improvements       |   |                        |                      |
|                            |   |                        | \$                   |
| 105.01                     | Marine Construction   | \$ 12,945.00           | 30,000.00            |
| 105.02                     | Engineering & Excavation                                    | \$ 11,594.44           | \$ 10,000.00         |
| 105.50                     | Admin Building  | \$ 36,265.25           |                      |
|                            |   |                        | \$                   |
| 105.05                     | GIS   | \$ 480.00              | 1,500.00             |
|                            |   |                        | \$                   |
| 105.10                     | Storage Building Project (roof) Treatment Plant             | \$ 649,138.13          | 35,000.00            |
| 105.17                     | Land Acquisition: Clifford Property                         | \$ 77,002.13           | \$ 100,000.00        |
|                            |   |                        | \$                   |
| 105.21                     | Natural Resource Projects                                   | \$ 14,855.96           | 25,000.00            |
| 105.23                     | Massachusetts Road Project                                  | \$ 25,083.86           | \$ 4,000.00          |
| 105.24                     | Barlow Hill & Mariner Way Water Main Replacement            | \$ 39,915.55           | \$ 180,000.00        |
| 105.25                     | Land Acquisition: Farrin Property                           | \$ 148,221.50          | \$ -                 |
|                            | Knickerbocker Lake Source - New Boat Launch                 |                        | \$ 10,000.00         |
| 105.26                     | Adams Pond Source - New Boat Launch                         |                        | \$ 10,000.00         |
|                            |   |                        | \$                   |
| 105.27                     | Raw Water Pump Station. Upgrade RWP#1 Vertical Turbine      | \$ 45,667.98           | 30,000.00            |
| 105.28                     | Treatment Plant-Piping Gallery Safety Improvements          |                        | \$ 13,500.00         |
|                            |   |                        | \$                   |
| 105.29                     | Treatment Plant Replace Backwash Waste Pumps & Check Valves |                        | 40,000.00            |
| 105.30                     | 2020 SCADA Upgrades   |                        | \$ 6,000.00          |
| 105.50                     | Work in Progress - Other                                    | \$ -                   | \$ 5,000.00          |
|                            |   |                        | \$                   |
| Total Capital Improvements |   | <u>\$ 1,061,169.80</u> | <u>500,000.00</u>    |
| Principal Repayments       |   |                        |                      |
|                            |   |                        | \$                   |
| 221.9                      | MBB Highland Park   | -                      | 32,000.00            |
| 221.94                     | SRF Mt Pisgah Tank  | -                      | \$ -                 |
| 221.95                     | Farrin Property (new less \$ 50,000 grant) \$84,640         | -                      | \$ -                 |
| 221.32                     | MBB Pinkham Standpipe Rehab                                 | -                      | \$ 5,500.00          |
|                            |   |                        | \$                   |
| 221.33                     | RD Southport Interconnection                                | \$ 33,634.96           | 33,000.00            |
| 221.89                     | SRF Cape Newagen MMBB                                       | \$ 10,775.00           | \$ 11,000.00         |
|                            |   |                        | \$                   |
| 221.92                     | RD 91-20  | \$ -                   | 25,000.00            |
| 221.93                     | FNB Consolidation   | \$ 10,295.36           | \$ 12,000.00         |
| 221.95                     | MMBB Sea Street   | \$ 12,915.00           | \$ 13,500.00         |
| 221.97                     | FNB Fluoride Bond   | \$ 6,133.97            | \$ 7,700.00          |
| 221.992                    | FNB Line of Credit  | \$ -                   | \$ -                 |
| 221.99                     | RD 91-18  | \$ 6,800.00            | \$ 6,500.00          |
|                            |   |                        | \$                   |
| 221.993                    | MMBB Consolidation  | \$ 342,497.28          | 345,000.00           |
| Total Principal Repayments |   | <u>\$ 423,051.57</u>   | <u>\$ 491,200.00</u> |

During the AM's report, discussion, led by Trustees Bellows and Gamage, revolved around the over-budget line item concerning the district's share of the code enforcement officer (CEO) for the town of Boothbay. Questions were raised concerning the CEO's cost overrun and the lack of input the board had with the reasoning for such a large increase. The manager instructed the AM to investigate the situation and include any and all findings in her next report and briefing of the board.

- a. **Vulnerability Assessment (VA) Update** – Progress made but I have had to review and fix some of the economic analysis. This will be complete soon.
4. **NATURAL RESOURCES PROGRAM** – The following report was submitted, in writing by the NRPM:
- a. **The BRLT led Watershed Conservation Collaborative** – *The group will hold its first meeting via zoom on October 29. BRWD has prepared a presentation that summarizes the situation relative to water quality and watershed conservation.*
  - b. **Watershed Work**- *Pine Woods Road, the last 319 grant project of the year, will be finished this week with paving by Crooker Co. Once that is done, we will work on final invoicing and final grant project reporting. Gaeklin Road is on the docket next year for our third 319 grant. Dirigo Engineering will develop construction plans and the Town of Boothbay will be responsible for doing the work.*
  - c. **Maine Natural Resource Conservation Grant (MNRCP) Monitoring** - *BRWD's portion of the monitoring report has been completed; we await Dr. John Field's report before submitting. Since we must keep ATVs off the property, we have begun outreach to known ATV users in the area. We may have to post the property and limit access; however, limiting access could lead to disturbance elsewhere.*  
  
*We hope to finish water quality monitoring this week and remove buoys. With most staff dedicated to seasonal shut down and large projects, we are dependent on finding a day where staff availability and good weather coincide.*
  - d. **Knox Lincoln Soil and Water Conservation District** - *The District (managers note: Sue Mello is to be awarded, not "the district") is one of three recipients of Knox-Lincoln County Soil and Water Conservation District's annual conservation awards. The District is being recognized for its work to protect water quality.*
  - e. The board instructed the manager to have the NRPM present at the 10 November 2020 meeting to provide an update and answer specific questions by board members concerning ATV access to district land, ongoing source water protection efforts and land acquisition.

5. **SAFETY & TRAINING UPDATE** – The manager reported that there had been no safety violations or known missed inspections during the previous period.
- a. **Human Resources (HR)** – The manager informed the board that as far as he knew the current unsigned contract with Teamsters Local #340 would be renegotiated during the final quarter of 2021. The manager then stated that based on comments made by Trustee Tharpe many months earlier, the current contract was un readable and confusing; a fact that the manager agreed with. The manager provided the board with history concerning the contract in that it was originally put into place in the 1970’s and had been revised so many times, ultimately creating a rather poor document to work with and under. The manager informed the board that it was his intention, in an effort to create a more professional contract, the AM has been tasked in meeting with the union steward and his adjutant to ascertain the following:
- i. Correct current conditions of the contract as interpreted;
  - ii. Redline redundant and/or obsolete clauses in the contract; and
  - iii. Make recommendations to management for changes to be made to the existing contract.

In the interest of producing a more professional contract at next negotiations, with succession planning in mind, the manager recommended to the board that at the next negotiation management be represented by *Verrill Law*, instead of the Maine Municipal Association (MMA). MMA had historically been the districts lead negotiator based on one criterion; they were the cheapest. The manager stated that the old adage of “you get what you pay for” had been partly responsible for the situation both labor and management found themselves currently in. The manager believed that the current state (no formal contract signed) was equally MMA’s responsibility as it was the president of Teamsters Local #340. The manager believed that by using the district’s attorney, he believed that it was far more likely that the contract negotiation process would remain within the legal timeline so that no lapses in contract coverage would reoccur during non-disputed negotiations.

The manager the expressed flatly that by bringing on the district’s attorney should, or would be, in any way, construed as management pulling a “fast-one” on the union. The manager stressed that his management proposal was quite the opposite, the relationship between the union members and management was second to none, with trust built over the past two decades that had led to great value for the district’s rate payers and communities served. That state of the district was the managers top priority to see preserved.

If the use *Verrill Law* for management negotiation representation was approved by the board, the manager stated that it would be highly stressed to the attorney that union negotiations here are not to be confrontational or loaded with tricks, threats or any other such techniques, but straightforward and truthful. The district’s excellent relationship with the union, which over the years has translating to high productivity, good job satisfaction and unequalled workmanship, will be preserved among all else.

The manager felt that the district simply needed more professional representation and management of the process, to produce a final document that was succinct and usable so that future management had an easier time seeing to its staff’s needs with rules that were understandable and very clear.

- b. **Training Update** –On-line license training continues.
6. **TREATMENT DIVISION (TD)** — The manager reported filter train efficiency over the previous period remained stable, with clarifier and filter efficiency both at 100%. Key chemical consumption rates remained about 85% of normal.

For the previous period finish water production averaged 0.3560 MGD as compared to the same period in 2019 which averaged 0.3080 MGD.

Current raw water reserves had improved in Adams Pond equaling 201.3 MG with the flow control boards on Adams Pond Dam now removed.

- a. **Drought Report** – During the previous period the Boothbay Region remained in D2 Drought (*Severe Drought*) status with D3 (*Extreme Drought*) conditions receding to only encompassing York County. Most of the state was now in D1 (Moderate Drought) which was an encouraging improvement. Again, the U.S. Drought Monitor measures drought in five categories D0 through D4 (*Severe Drought*), and my opinion the district has sufficient raw water reserves remains at this time.
- b. **Bleeder Report** – The manager reported that to keep water quality up to applicable standards, the district began bleeding the distribution system with the majority of bleeders established on 22 October 2020 (see Table 4). The current per day value of bleeder process water was reported to be \$984.96 in process water.

| Table 4                       |                 |           |          |                       |                    |                       |
|-------------------------------|-----------------|-----------|----------|-----------------------|--------------------|-----------------------|
| BRWD 2020/2021 Bleeder Report |                 |           |          |                       |                    |                       |
| Location                      | Municipality    | Date On   | Date Off | Cubic-Foot per Minute | Gallons per Minute | Gallons per Day (GPD) |
| Kenniston Hill Standpipe      | Boothbay        | 22-Oct-20 |          | 0.5                   | 4                  | 5,400                 |
| Murray Hill Road              | Boothbay        | 22-Oct-20 |          | 1.5                   | 11                 | 16,200                |
| Lobster Cove Road             | Boothbay Harbor | 22-Oct-20 |          | 1.5                   | 11                 | 16,200                |
| Cross Road                    | Southport       | 22-Oct-20 |          | 2.0                   | 15                 | 21,600                |
| Southport General Store       | Southport       | 22-Oct-20 |          | 1.7                   | 13                 | 18,360                |
| Route 96                      | Boothbay        | 22-Oct-20 |          | 0.8                   | 6                  | 8,640                 |
| Factory Cove Road             | Boothbay Harbor | TBD       |          |                       | 0                  | 0                     |
| <b>TOTALS</b>                 |                 |           |          | <b>8.0</b>            | <b>60</b>          | <b>86,400</b>         |

7. **DISTRIBUTION DIVISION (DD)** – The manager reported the DD remained busy with dig safe notifications, distribution maintenance, adding customers and working 319 Grant projects, all while staying current with workload. Over the previous period the whiteboard project list had greatly expanded.

- a. **Seasonal Water System Shutdown Status Report** - All seasonal water meters that were accessible had been removed with a few (<40) off of year-round accounts remaining to be pulled. As of that morning an estimated 80% of the seasonal water mains have been properly prepared for winter with the remaining 20% still in process and expected to be completed by weeks end. As of that time, no figures concerning overage have been tabulated due to seasonal accounts still in service but a value is expected for the 10 November 2020 manager's report.
8. The board went into executive session pursuant to 1 M.R.S.A. §405(6)(E) *Consultations with Legal Counsel* at 1830hr.  
*Trustee Climo motioned, Trustee Tibbetts second, vote: unanimous*
  9. The board came out of executive session at 1845 hr.  
*Trustee Climo motioned, Trustee Bellows second, vote: unanimous*
  10. **5 RIVERS REGIONAL WATER COUNCIL** – The manager reported that the council had signed a contract with the Maine Rural Water Association (MRWA) to begin the process of creating a unified volume of *Policies and Procedures* for all water districts in the council. Once written and agreed upon, it was hoped to become policy of each district over time, so as to align all of the districts with an eye towards group buying power and make any future amalgamations easier to accomplish.

This winter all capital improvement projects (non-Paygo) will be accumulated in a matrix with the possibility of group bidding. The hope is to possibly issue one massive set of projects to receive lower unit pricing.

Finally, the manager reported that Mr. Alan Frasier P.E., Superintendent, Brunswick-Topsham Water District (BTWD) announced his retirement effective 1 January 2021. He will be replaced by Craig Douglas P.E., Operations Manager, BTWD at that time.

11. **LAND ACQUISITION UPDATE** – No change in status
12. **ALTERNATIVE ELECTRIC POWER OPTIONS** – No change in status.
13. **SQUIRREL ISLAND VILLAGE CORPORATION (SIVC) WATER MAIN** – The manager reported that negotiation meeting with the SIVC, previously scheduled for 14 October 2020 was postponed until 30 October 2020, in Portland at the office of *Pierce-Atwood LLC*. Chairman Gamage, attorney Harwood and the manager would be the negotiating team for the district.

The board then opened up with much discussion as to the objectives of the proposed settlement and revisited the state of the Maine Public Utilities Commission (PUC) case now in suspension. The board was somewhat uneasy about negotiating at this point because the prevailing feeling of the board was that the district had not yet had a chance to present their case in front of the PUC, nor had they had the chance for discovery of the SIVC. After lengthy discussion the board expressed that they would evaluate the negotiation settlement discussions once a tentative agreement was reached as to what direction they would pursue concerning this matter.

14. **NEW MAINTENANCE GARAGE PROJECT** – The manager reported that on 23 October 2020 the “final inspection” had been completed with Chairman Gamage, Lajoie representatives, Dirigo Engineering and the manager in attendance. At that time a very small punch list was developed. Progress meeting #5 which had been scheduled for 26 October 2020 had been pushed back until 3 November 2020 with no firm time determined. At that time there would be another walkthrough with the work expected to be completed. Trustee Gamage requested Trustee Anthony be present if at all possible, for that walkthrough.

The manager informed the board that the heating system had been installed but not tested. The final paving was to be accomplished later that day with the main doors still in transit for installation. During the previous week the breezeway had been installed with a small retrofit required of our boiler/heating contractor outstanding. The manager concluded by stating the final product was now coming into view and all looked great.

15. **CAMERONS POINT WATER MAIN** –No change in status.

16. **BARLOW HILL & MARINER WAY WATER MAIN REPLACEMENT PROJECT** – The manager reported expressed his frustration with the former East Boothbay Water District, referring to it as “the gift that keeps on giving”. On 26 October 2020, *E. M. Wood Construction* (the contractor) began preparing for the Mariner Way portion of the project by adding a temporary lane on Route 96 at the intersection of Route 96 and Mariner Way to allow traffic to flow on 27 October 2020 when the next phase of the project was to commence. On 27 October 2020, district personnel, *E.J. Prescott* (EJP) personnel and the contractor where to install a “tap and sleeve and valve” on the existing water main located on the westerly side of Route 96 and install water main through the state right-of-way. However, once the existing water main in Route 96 had been exposed it was found to be “undersized iron pipe (UIP)”. The manager explained that UIP was very rare and in the 1950’s and 1960’s was available but considered as “cheap pipe” (in quality and price). Unfortunately, EJP did not have this odd-size sleeve on board and the tap was cancelled.

This unanticipated change in condition wasted a trip by EJP and created a change order that would be assessed by both EJP and *E.M. Wood Construction*. Additionally, it forced the contractor to begin installing the water main from the terminus of the project first, with the new fire hydrant installed earlier that day and water main heading back towards Route 96 within Mariner Way. The manager informed the board that the same personnel would retry the “tap and sleeve and valve” on 2 November 2020 and have the water main in service active shortly thereafter.

The manager concluded his report by informing the board that earlier that morning the contractor had begun paving the Barlow Hill portion of this project wherein completion of that project included building up of road shoulders and clean-up to be considered complete.

17. The meeting was adjourned at 1933 hr.  
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*Trustee Climo motioned, Trustee Tibbetts second, vote: unanimous*

END OF MINUTES